

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature	Printed Name		License Number	

WAYNE HOUSING COMMISSION

Financial Statements

December 31, 2007

Audited by

JOHN C. DIPIERO, P.C.

Certified Public Accountant

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MANAGEMENT DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING DECEMBER 31, 2007

This discussion and analysis of the Wayne Housing Commission's financial performance for fiscal year ending December 31, 2007 should be read in conjunction with the auditor's opinion letter and the financial statements.

**Entity-Wide Statements**

The combined financial statements show, in one place, all the Commission's operations. Our statements are prepared on the accrual basis of accounting, which is similar to that used by most businesses. Under this method, all revenues and expenses conducted with the fiscal year are taken into account even if the cash involved has not actually been received or paid. The Financial Data Schedule included within the audit report contains all the programs of the Commission.

**Fund Statements**

The Financial Data Schedule reports the Commission's operations in more detail. The Commission reports all its activities using Proprietary Fund types. These funds are used to show activities that operate more like commercial enterprises. The Financial Data Schedule is organized by the government Catalogue of Finance Domestic Assistance (CFDA) numbers

**Statement of Net Assets**

	<u>Year 2007</u>	<u>Year 2006</u>	<u>Increase (Decrease)</u>
Cash – Total	<u>\$ 261,385</u>	<u>\$ 45,668</u>	<u>\$215,717</u>
Total Current Assets	<u>\$ 283,012</u>	<u>\$ 82,270</u>	<u>\$200,724</u>
Total Non-Current Assets	<u>\$ 766,466</u>	<u>\$805,959</u>	<u>\$(39,493)</u>
<b>TOTAL ASSETS</b>	<u><b>\$1,049,478</b></u>	<u><b>\$888,229</b></u>	<u><b>\$161,249</b></u>
Current Liabilities	<u>\$52,798</u>	<u>\$ 49,373</u>	<u>\$ 3,425</u>
Accounts Payable – Other Government	<u>\$ 0</u>	<u>\$ 10,890</u>	<u>\$ (10,890)</u>
Deferred Revenues	<u>\$ 1,057</u>	<u>\$ 861</u>	<u>\$ 196</u>
Non-Current Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 52,798</b></u>	<u><b>\$ 49,373</b></u>	<u><b>\$ 3,425</b></u>
Invested in Capital Assets	<u>\$766,466</u>	<u>\$805,959</u>	<u>\$(39,493)</u>
Unrestricted Assets	<u>\$230,214</u>	<u>\$ 32,897</u>	<u>\$197,317</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$996,680</b></u>	<u><b>\$838,856</b></u>	<u><b>\$157,824</b></u>

Cash Increased as a result of depositing 2006 and 2007 Capital Find monies into operations. Expenses less depreciation of \$103,678 were \$457,914 and revenues were \$561,595.

Fixed assets decreased by the amount of depreciation expense for the year.

**ANALYSIS STATEMENT OF REVENUE AND EXPENSES PRIOR AND CURRENT FISCAL YEAR:**

	<u>Year 2007</u>	<u>Year Ending December 31, Year 2006</u>	<u>%</u>
<b>REVENUE</b>			
Net Tenant Rental Revenue	\$166,856	\$160,931	4 %
HUD Operating Grants	\$328,810	\$136,317	141 %
Capital Grants	\$ 63,284	\$ 63,995	(1) %
Investment Income - Unrestricted	\$ 2,642	\$ 831	218 %
<b>TOTAL REVENUE</b>	<u>\$561,592</u>	<u>\$362,074</u>	<u>55 %</u>
<b>EXPENSES</b>			
Administrative Expenses (Salary)	\$ 65,398	\$ 65,738	(1) %
Auditing Fees	\$ 3,550	\$ 3,150	13 %
Compensated Absences	\$ 99	\$ 164	(649) %
Employee Benefit Contributions (Admin)	\$ 23,365	\$ 22,233	5 %
Other Operating – Administrative	\$ 31,700	\$ 33,180	(4) %
Utilities			
Water	\$ 10,479	\$ 12,905	(19) %
Electricity	\$ 4,055	\$ 3,875	5 %
Gas	\$ 22,933	\$ 27,225	(16) %
Ordinary Maintenance (Labor)	\$ 59,995	\$ 55,284	9 %
Ordinary Maintenance and Operations-			
Materials and Other	\$ 20,661	\$ 17,241	20 %
Ordinary Maintenance and Operations-			
Contract Costs	\$ 7,625	\$ 15,334	(50) %
Employee Benefit Contributions-			
Ordinary Maintenance	\$ 21,568	\$ 18,700	15 %
Insurance Premiums	\$ 17,937	\$ 6,026	198 %
Payments in Lieu of Taxes	\$ 11,725	\$ 10,890	8 %
Bad Debt – Tenant Rents	\$ 0	\$ 0	0 %
Excess Operating Revenue over			
Operating Expenses	\$261,502	\$70,129	273 %
Depreciation Expense	<u>\$103,678</u>	<u>\$103,602</u>	<u>0%</u>
<b>TOTAL EXPENSES</b>	<u>\$403,768</u>	<u>\$395,547</u>	<u>2 %</u>

The significant changes are as follows:

The increase in Insurance Premiums is due to the increase of charges for the City's insurance premiums for the housing commission's share of office space the housing commission rents from the City and annual increase in property and liability insurance for the housing commission properties.

The decrease in the Ordinary Maintenance and Operations Contract Costs was due to less repairs needed for sewer backups due to tree roots, dirty walls at move out time, no exterminators and no unexpected carpet replacement.

### **COMMISSION'S POSITION**

No significant change occurred in the Commission financial position during the year. We plan on using our capital improvement for sidewalk repairs.

The Commission expects to continue to provide safe, sanitary and decent housing for the low and moderately low income families.

### **CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the Commission's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Wayne Housing Commission, 4001 S Wayne Rd, Wayne, MI 48184

***John C. DiPiero, P.C.***

Certified Public Accountant

P. O. Box 378  
Hemlock, Michigan 48626  
Tel / Fax (989) 642-2092

Board of Commissioners  
Wayne Housing Commission  
4001 S Wayne Road  
Wayne, Michigan 48184

### **Independent Auditor's Report**

I have audited the financial statements of the Wayne Housing Commission Business Type Activities as of and for the year ended December 31, 2007. These financial statements are the responsibility of the Housing Commission's management. My responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wayne Housing Commission as of December 31, 2007, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated July 15, 2008, on my consideration of the Wayne Housing Commission's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Auditing Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the financial statements taken as whole.

Certified Public Accountant

July 15, 2008



WAYNE HOUSING COMMISSION  
Statement of Net Assets  
December 31, 2007

**ASSETS**

**C-3065**

CURRENT ASSETS

Cash	\$	261,385	
Accounts Receivable- Tenants		158	
Prepaid Expenses		<u>21,469</u>	
Total Current Assets	\$		283,012

NON CURRENT ASSETS

Land	\$	58,641	
Buildings		2,984,056	
Furniture, Equipment- Dwelling		46,256	
Furniture, Equipment- Administrative		66,654	
Accumulated Depreciation		<u>(2,389,141)</u>	
Total Non Current Assets			<u>766,466</u>

TOTAL ASSETS \$ 1,049,478

WAYNE HOUSING COMMISSION  
Statement of Net Assets  
December 31, 2007

LIABILITIES & NET ASSETS

C-3065

LIABILITIES:

CURRENT LIABILITIES

Accounts Payable	\$	8,919
Accrued Payroll		3,592
Compensated Absences- current		10,636
Accounts Payable-Other Governments		11,725
Tenants Security Deposit		16,869
Deferred Revenue		<u>1,057</u>

Total Current Liabilities \$ 52,798

NET ASSETS:

Invested in Capital Assets, net of Related Debt	\$	766,466
Unrestricted Net Assets		<u>230,214</u>

Total Net Assets 996,680

TOTAL LIABILITIES & NET ASSETS \$ 1,049,478

The Accompanying Footnotes are an Integral Part of the Financial Statements

WAYNE HOUSING COMMISSION  
Statement of Revenue, Expenses, and Changes in Net Assets  
For the year ended December 31, 2007

OPERATING REVENUE

Tenant Rental Revenue	\$ 166,856	
HUD Grants	328,810	
Interest Income	<u>2,642</u>	
<u>Total Operating Revenue</u>		\$ 498,308

OPERATING EXPENSES

Administrative	\$ 124,112	
Utility Expenses	37,467	
Ordinary Maintenance	108,849	
General Expenses	29,662	
Depreciation Expense	<u>103,678</u>	
<u>Total Operating Expenses</u>		<u>403,768</u>
<u>Operating Income (Loss)</u>		\$ 94,540

CAPITAL CONTRIBUTIONS

		<u>63,284</u>
<u>Changes in Net Assets</u>		\$ 157,824
 Total Net Assets- Beginning		 <u>838,856</u>
  Total Net Assets- Ending		  \$ <u>996,680</u>

The Accompanying Notes are an Integral part of the Financial Statements

WAYNE HOUSING COMMISSION  
Combined Statement of Cash Flows  
For the Year Ended December 31, 2007

Business Type Activities

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 161,308
Payments to Suppliers	(187,002)
Payments to Employees	(121,022)
HUD Grants	200,312
Other Receipts (Payments)	<u>(831)</u>
Net Cash Provided (Used) by Operating Activities	\$ 52,765

CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES

Purchases of Capital Assets	<u>(64,559)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (11,794)
Balance- Beginning of Year	<u>74,313</u>
Balance- End of Year	\$ <u>62,519</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Net Profit or (Loss)	\$ 94,540
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	103,678
Changes in Assets (Increase) Decrease:	
Receivables (Gross)	377
Prepaid Expenses	(14,671)
Changes in Liabilities Increase (Decrease):	
Accounts Payable	(4,556)
Accrued Payroll	218
Accrued Compensated Absences	163
Security Deposits	5,851
Accounts Payable-Other Governments	(1,743)
Deferred Revenue	<u>(3,003)</u>
Net Cash Provided by Operating Activities	\$ <u>52,765</u>

The Accompanying Notes are an Integral part of the Financial Statements

WAYNE HOUSING COMMISSION  
Notes to Financial Statements  
December 31, 2007

NOTE 1: Summary of Significant Accounting Policies

**Reporting Entity-**

Wayne Housing Commission, Wayne, Michigan, (Commission) was created by ordinance of the city of Wayne. The Commission signed and Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD). The ACC requires the Commission to provide safe, sanitary and decent housing for qualifying senior and low income families.

The Commission consists of the following:

MI 129	Low rent program	76 units
--------	------------------	----------

In determining the reporting entity, the manifestations of oversight, as defined by the Governmental Accounting Standards Board (GASB), Cod. sec 2100, were considered. The criteria include the following:

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the "primary government". A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is legally separate entity for which the primary government is financially accountable. The criterion of financial accountability are the ability of the primary government to impose its will upon the potential component unit. Based on the above, there are no component units.

These criteria were considered in determining the reporting entity.

**Basis of Presentation-**

The accounts of the Commission are organized by the Catalog of Federal Domestic Awards (CFDA) numbers, in the Financial Data Schedule; each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenditures, or expenses, as appropriate. Commission resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

## Notes to Financial Statements- continued

### Proprietary Funds

Enterprise Funds- Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, management control, accountability, or other purposes.

### Basis of Accounting-

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Proprietary Funds are accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Prior to October 1, 1998, the Commission followed a basis of accounting consistent with the cognizant agency, the U. S. Department of Housing and Urban Development, HUD. Those practices differed from Generally Accepted Accounting Principals (GAAP); however, for all fiscal years beginning on or after October 1, 1998, HUD has required adherence to GAAP. Therefore, the current and future financial presentations will follow GAAP and the Financial Accounting Standards Board (FASB) pronouncements issued subsequent to November 30, 1989, provided they do not conflict with Governmental Accounting Standards Board (GASB) pronouncements.

### Budgetary data-

Formal budgetary integration is employed as a management control device during the year in proprietary type funds. Budgets for funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) for that fund type. The Commission adopts a budget annually, and amends the budgets as it feels necessary in order to maintain financial integrity.

### Assets, Liabilities, and Net Assets-

#### Deposits & Investments

Deposits are stated at cost; the carrying amount of deposits is separately displayed on the balance sheet as cash and cash equivalents; investments are stated at cost which approximates market.

Notes to Financial Statements- continued

Cash Equivalents

Cash Equivalents represent investments purchased with a three month maturity or less; investments meeting this criteria are reclassified for financial statement purposes as cash.

Fixed Assets

The accounting and reporting treatment applied to the fixed assets are determined by its measurement focus. All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is reported as Invested in Capital Assets, Net of Related Debt.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations; depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Buildings and Improvements	40 years
Equipment	3-10 years

Compensated Absences

Sick leave and other compensated absences with similar characteristics have been accrued as a liability. The amount accrued was based on the probability that the Commission will compensate the employees for the benefits through cash payments as a condition of the employees' termination or retirement.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Note 2: Cash and Investments.

The composition of cash and investments are as follows:

Cash:

General Fund Checking Accounts	\$ 45,268
Security Deposit Checking	16,851
Petty Cash & Change Fund	<u>400</u>
Financial Statement Total	<u>\$ 62,519</u>

Notes to Financial Statements- continued

Generally the Commission classifies cash and investments with the following risk assumptions:

- 1) Insured or registered in the Commission's name.
- 2) Uninsured or unregistered, held by a broker in the Commission's name.
- 3) Uninsured or unregistered, held by a broker not in the Commission's name.

	<u>Categories</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
Cash:					
Checking A/C's	\$ 62,119	\$	\$	\$ 62,119	\$ 62,119
Petty Cash	<u>400</u>			<u>400</u>	<u>400</u>
Total Cash	\$ <u>62,519</u>	\$	\$	\$ <u>62,519</u>	\$ <u>62,519</u>

Note 3: Inventory

Inventory consist of the following:

Materials Inventory	\$ 3,515	
Less: Allowance for Obsolescence	<u>(176)</u>	\$ 3,339
Prepaid Rent- City of Wayne		3,950
Prepaid Insurance		<u>11,776</u>
Financial Statement Total		\$ <u>19,065</u>

Note 4: Fixed Assets and Depreciation.

Property and equipment, are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Generally buildings and improvements are written off over 40 years; furniture and equipment three to seven years.

The following represents the changes in fixed assets for the year:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>End</u>
	<u>of Year</u>			<u>of Year</u>
Land	\$ 58,641	\$	\$	\$ 58,641
Buildings	2,856,777	64,333	338	2,920,772
Furniture & Equipment-Dwellings	46,256			46,256
Furniture & Equipment-Admin	<u>65,528</u>	<u>226</u>		<u>65,754</u>
	\$ 3,027,202	\$ 64,559	\$ 338	\$ 3,091,423
Less Accumulated Depreciation	<u>2,182,200</u>	<u>103,602</u>	<u>338</u>	<u>2,285,464</u>
	\$ <u>845,002</u>	\$ <u>(39,043)</u>	\$	\$ <u>805,959</u>



Notes to Financial Statements- continued

Note 5: Pension Plan

The Commission participates in the city of Wayne retirement plan for eligible full time employees. The Commission contributes a percentage of the employees compensation to the plan and recognizes an expense when paid. Plan assets and statistical information concerning the pension plan are contained in a separate report issued by the City. Eligible employees must have 30 years service or age 55 plus 10 years service, to be fully vested.

Note 6: Reclassifications.

Certain prior years' balances have been reclassified to conform to the current year's presentation.

Note 7: Combining Financial Data Schedules.

The totals in the combining Balance Sheet and combining Income Statement represent unconsolidated totals. Under principals of consolidation, inter fund transactions would be eliminated; the totals in the combined statements follow the financial data schedule format recommended by the U.S. Department of Housing and Urban Development's Real Estate Assessment Center (REAC).

Note 8: Risk Management

The Commission is exposed to various risks of loss related to property loss, torts, error and omissions and employee injuries. The Commission purchases commercial insurance to cover the risks of these losses. The Commission had the following insurance in effect during the year:

<u>Types of Policies</u>	<u>Coverage's</u>
Property	\$ 4,844,400
General Liability	1,000,000
Dishonesty Bond	1,000,000
Worker's Compensation and other riders:	
Coverage's required by the	
State of Michigan	

WAYNE HOUSING COMMISSION  
General Comment  
December 31, 2007

The Wayne Housing Commission (Commission) employees are City of Wayne employees. The Commission reimburses the City of Wayne for all wages, payroll taxes and benefits such as health insurance and pension cost for current employees; the Commission also will pay for retirees health benefits, however, no past employee is currently eligible for such benefits.

HUD has raised a question concerning paying post retirement benefits by Public Housing Agencies, especially when the relationship involves City employees. The current full time staff will become eligible for post retirement benefits in several years; whether those cost will be eligible or allowable will be determined by HUD.

## Wayne Housing Commission

31-Dec-07

MI-029

	Account Description	Low Rent 14.850	Capital Projects Funds 14.872	TOTAL
Line Item #				
	<b>ASSETS:</b>			
	<b>CURRENT ASSETS:</b>			
	Cash:			
111	Cash - unrestricted	244,516	-	244,516
112	Cash - restricted - modernization and developmer		-	-
113	Cash - other restricted			-
114	Cash - tenant security deposit	16,869	-	16,869
100	Total cash	261,385	-	261,385
	Accounts and notes receivables			
121	Accounts receivable - PHA project			-
122	Accounts receivable - HUD other project			-
124	Accounts receivable - other government			-
125	Accounts receivable - miscellaneous	-	-	-
126	Accounts receivable- tenants - dwelling rent	158		158
126.1	Allowance for doubtful accounts - dwelling rent	-		-
126.2	Allowance for doubtful accounts - other	-		-
127	Notes and mortgages receivable- current			-
128	Fraud recovery			-
128.1	Allowance for doubtful accounts - fraud			-
129	Accrued interest receivable			-
120	Total receivables, net of allowances for doubtful accounts	158	-	158
	Current investments			-
131	Investments - unrestricted	-		-
132	Investments - restricted			-
142	Prepaid expenses and other assets	18,181	-	18,181
143	Inventories	3,461	-	3,461
143.1	Allowance for obsolete inventories	(173)	-	(173)
144	Interprogram - due from	-	-	-
146	Amounts to be provided			-
150	TOTAL CURRENT ASSETS	283,012	-	283,012
	<b>NONCURRENT ASSETS:</b>			
	Fixed assets:			
161	Land	58,641	-	58,641
162	Buildings	2,920,772	63,284	2,984,056
163	Furniture, equipment & machinery - dwelling	46,256	-	46,256
164	Furniture, equipment & machinery - administrative	66,654	-	66,654
165	Construction in Progress	-	-	-
166	Accumulated depreciation	(2,388,484)	(657)	(2,389,141)
160	Total fixed assets, net of accumulated depreciation	703,839	62,627	766,466
171	Notes and mortgages receivable - non-current			-
172	Notes and mortgages receivable-non-current-past due			-
174	Other assets			-
175	Undistributed debits			-
176	Investment in joint venture			-
180	TOTAL NONCURRENT ASSETS	703,839	62,627	766,466
190	<b>TOTAL ASSETS</b>	986,851	62,627	1,049,478

	<b>LIABILITIES AND EQUITY:</b>			
	<b>LIABILITIES:</b>			
	<b>CURRENT LIABILITIES</b>			
311	Bank overdraft			-
312	Accounts payable ≤ 90 days	8,919	-	8,919
313	Accounts payable > 90 days past due	-	-	-
321	Accrued wage/payroll taxes payable	3,592	-	3,592
322	Accrued compensated absence	10,636	-	10,636
324	Accrued contingency liability	-		-
325	Accrued interest payable			-
331	Accounts payable - HUD PHA program			-
332	Accounts Payable - PHA Project			
333	Accounts payable - other government	11,725	-	11,725
341	Tenant security deposits	16,869	-	16,869
342	Deferred revenues	1,057	-	1,057
343	Current portion of Long-Term debt - capital project		-	-
344	Current portion of Long-Term debt - operating borrowing			-
345	Other current liabilities	-		-
346	Accrued liabilities - other	-		-
347	Inter-program - due to	-	-	-
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>52,798</b>	<b>-</b>	<b>52,798</b>
	<b>NONCURRENT LIABILITIES:</b>			
351	Long-term debt, net of current- capital project			-
352	Long-term debt, net of current- operating borrowing			-
353	Noncurrent liabilities- other	-		-
350	<b>TOTAL NONCURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
300	<b>TOTAL LIABILITIES</b>	<b>52,798</b>	<b>-</b>	<b>52,798</b>
	<b>EQUITY:</b>			
501	Investment in general fixed asset			-
	<b>Contributed Capital:</b>			
502	Project notes (HUD)			-
503	Long-term debt - HUD guarantee	-	-	-
504	Net HUD PHA contributions	-		-
505	Other HUD contributions			-
507	Other contributions	-		-
508	Total contributed capital	-	-	-
508.1	Invested in Capital Assets, Net of Related Debt	703,839	62,627	766,466
	Reserved fund balance			-
509	Reserved for operating activities			-
510	Reserved for capital activities	-		-
511	Total reserved fund balance	-	-	-
512	Undesignated fund balance/retained earnings	-	-	-
512.1	Unrestricted Net Assets	230,214		230,214
513	<b>TOTAL EQUITY</b>	<b>934,053</b>	<b>62,627</b>	<b>996,680</b>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>986,851</b>	<b>62,627</b>	<b>1,049,478</b>

- - -

## Wayne Housing Commission

31-Dec-07

MI-029

Combining Income Statement		Low Rent 14.850	Capital Projects Funds 14.872	TOTAL
Line Item #				
	<b>REVENUE:</b>			
703	Net tenant rental revenue	166,856		166,856
704	Tenant revenue - other	-	-	-
705	Total tenant revenue	166,856	-	166,856
706	HUD PHA grants	111,818	280,276	392,094
708	Other government grants			-
711	Investment income - unrestricted	2,642	-	2,642
712	Mortgage interest income	-		-
714	Fraud recovery			-
715	Other revenue	-		-
716	Gain or loss on the sale of fixed asset	0		-
720	Investment income - restricted	-		-
700	<b>TOTAL REVENUE</b>	281,316	280,276	561,592
	<b>EXPENSES:</b>			
	Administrative			
911	Administrative Salaries	65,398	-	65,398
912	Auditing Fees	3,550		3,550
913	Outside management fee:	-		-
914	Compensated absence:	99		99
915	Employee benefit contributions-administrativ	23,365	-	23,365
916	Other operating administrative	31,700	-	31,700
	Tenant services			
921	Tenant services - salaries	-	-	-
922	Relocation costs		-	-
923	Employee benefit contributions- tenant service	-	-	-
924	Tenant services - other	-	-	-
	Utilities			
931	Water	10,479	-	10,479
932	Electricity	4,055	-	4,055
933	Gas	22,933	-	22,933
934	Fuel			-
935	Labor			-
937	Employee benefit contributions- utilities			-
938	Other utilities expense	-		-
	Ordinary maintenance & operation			
941	Ordinary maintenance and operations - labor	59,995	-	59,995
942	Ordinary maintenance and operations - materials & other	20,661	-	20,661
943	Ordinary maintenance and operations - contract cost	7,625	-	7,625
945	Employee benefit contributions- ordinary maintenance	20,568	-	20,568
	Protective services:			
951	Protective services - labor			-



WAYNE HOUSING COMMISSION  
Status of Prior Audit Findings  
December 31, 2007

The prior audit of the Wayne Housing Commission for the period ended December 31, 2006, contained no audit findings.

WAYNE HOUSING COMMISSION  
Report on Compliance and on Internal Control over  
Financial Reporting Based on an Audit of Financial  
Statements Performed in Accordance with  
*Government Auditing Standards*  
December 31, 2007

I have audited the financial statements of the Wayne Housing Commission of Wayne, Michigan, as of and for the year ended December 31, 2007, and have issued my report thereon dated July 15, 2008. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weakness.

This report is intended for the information of management, the Board of Commissioners, and federal and state funding agencies, and is not intended to be and should not be used by anyone other than those specified parties.

Certified Public Accountant  
Hemlock, Michigan  
July 15, 2008



WAYNE HOUSING COMMISSION  
Report on Compliance Applicable to  
Non Major HUD Program  
December 31, 2007

I have audited the financial statements of Wayne Housing Commission, Wayne Michigan, as of and for the year ended December 31, 2007, and have issued my report dated July 15, 2008.

In connection with my audit and with my consideration of the Commission's internal control used to administer HUD grants, I selected certain transactions applicable to the nonmajor HUD programs for the year ended December 31, 2007; I performed auditing procedures to test compliance with the requirements governing the Commission's grants. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Commission's compliance with those requirements. Accordingly, I do not express such an opinion.

Material instances of noncompliance consist of failures to follow the specific requirements referred to above that caused me to conclude that the misstatements resulting from those failures are material to the Commission's grants. I did not discover material instances, however, did find control deficiencies that require disclosure. The results of my tests and the instances of noncompliance are described in the accompanying schedule of findings and questioned costs.

This report is intended solely for the information of management and the U. S. Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountant  
Hemlock, Michigan  
July 15, 2008

WAYNE HOUSING COMMISSION  
Schedule of Findings and Questioned Cost  
December 31, 2007

Summary of Auditor's Results:

Programs:

	<u>Major Program</u>	<u>Non Major Program</u>
Low income Public Housing		X
Capital Projects Funds		X

Opinions:

General Purpose Financial Statements-

Unqualified

Material weakness(es) noted	<u>        </u> Yes	<u>  X  </u> No
Reportable condition(s) noted	<u>        </u> Yes	<u>  X  </u> No
Non Compliance material to financial statements noted	<u>        </u> Yes	<u>  X  </u> No

Report on compliance for Federal programs-

Unqualified

Material weakness(es) noted	<u>        </u> Yes	<u>  X  </u> No
Reportable condition(s) noted	<u>        </u> Yes	<u>  x  </u> No
Non Compliance material to financial statements noted	<u>        </u> Yes	<u>  X  </u> No

Thresholds:

Dollar limit used to determine type A & B programs- \$ 300,000

The Auditee did qualify as a low risk auditee.

<u>Name of Federal Program</u>	<u>Major Program</u>	<u>Questioned Costs</u>	<u>Audit Finding Number</u>
Low Rent Public Housing	No	None	N/A
Capital Funds Programs	No	None	N/A